

JAPAN'S GRANT AID

The Grant Aid scheme provides a recipient country with non-reimbursable funds to procure the facilities, equipment and services (engineering services and transportation of the products, etc.) for economic and social development of the country under principles in accordance with the relevant laws and regulations of Japan. The Grant Aid is not supplied through the donation of materials as such.

1. GRANT AID PROCEDURES

Japan's Grant Aid Program is executed through the following procedures.

Application	(Request made by a recipient country)
Study	(Basic Design Study conducted by JICA)
Appraisal & Approval	(Appraisal by the Government of Japan and Approval by Cabinet)
Determination of Implementation	(The Notes exchanged between the Governments of Japan and the recipient country)

Firstly, the application or request for a Grant Aid project submitted by a recipient country is examined by the Government of Japan (the Ministry of Foreign Affairs) to determine whether or not it is eligible for Grant Aid. If the request is deemed appropriate, the Government of Japan assigns JICA (Japan International Cooperation Agency) to conduct a study on the request. If necessary, JICA send a Preparatory Study Team to the recipient country to confirm the contents of the request.

Secondly, JICA conducts the study (Basic Design Study), using Japanese consulting firms.

Thirdly, the Government of Japan appraises the project to see whether or not it is suitable for Japan's Grant Aid Programme, based on the Basic Design Study report prepared by JICA, and the results are then submitted to the Cabinet for approval.

Fourthly, the project, once approved by the Cabinet, becomes official with the Exchange of Notes (E/N) signed by the Governments of Japan and the recipient country.

Finally, for the smooth implementation of the project, JICA assists the recipient country in such matters as preparing tenders, contracts and so on.




2. BASIC DESIGN STUDY

(1) Contents of the Study

The aim of the Basic Design Study (hereinafter referred to as “the Study”) conducted by JICA on a requested project (hereinafter referred to as “the Project”) is to provide a basic document necessary for the appraisal of the Project by the Government of Japan. The contents of the Study are as follows:

- a) Confirmation of the background, objectives, and benefits of the Project and also institutional capacity of agencies concerned of the recipient country necessary for the Project’s implementation;
- b) Evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from the technical, social and economic points of view;
- c) Confirmation of items agreed on by both parties concerning the basic concept of the Project;
- d) Preparation of a basic design of the Project; and
- e) Estimation of costs of the Project.

The contents of the original request are not necessarily approved in their initial form as the contents of the Grant Aid project. The Basic Design of the Project is confirmed considering the guidelines of Japan’s Grant Aid Scheme.

The Government of Japan requests the Government of the recipient country to take whatever measures are necessary to ensure its self-reliance in the implementation of the Project. Such measures must be guaranteed even though they may fall outside of the jurisdiction of the organization in the recipient country actually implementing the Project. Therefore, the implementation of the Project is confirmed by all relevant organizations of the recipient country through the Minutes of Discussions.

(2) Selection of Consultants

For the smooth implementation of the Study, JICA uses a consulting firm selected through its own procedure (competitive proposal). The selected firm participates the Study and prepares a report based upon the terms of reference set by JICA.

At the beginning of implementation after the Exchange of Notes, for the services of the Detailed Design and Construction Supervision of the Project, JICA recommends the same consulting firm which participated in the Study to the recipient country, in order to maintain the technical consistency between the Basic Design and Detailed Design as well as to avoid any undue delay caused by the selection of a new consulting firm.



3. JAPAN'S GRANT AID SCHEME

(1) What is Grant Aid?

The Grant Aid Program provides a recipient country with non-reimbursable funds to procure the facilities, equipment and services (engineering services and transportation of the products, etc.) for economic and social development of the country under principles in accordance with the relevant laws and regulations of Japan. Grant Aid is not supplied through the donation of materials as such.

(2) Exchange of Notes (E/N)

Japan's Grant Aid is extended in accordance with the Notes exchanged by the two Governments concerned, in which the objectives of the project, period of execution, conditions and amount of the Grant Aid, etc., are confirmed.

(3) "The period of the Grant" means the one fiscal year which the Cabinet approves the project for. Within the fiscal year, all procedure such as exchanging of the Notes, concluding contracts with consulting firms and contractors and final payment to them must be completed.

However, in case of delays in delivery, installation or construction due to unforeseen factors such as weather, the period of the Grant Aid can be further extended for a maximum of one fiscal year at most by mutual agreement between the two Governments.

(4) Under the Grant, in principle, Japanese products and services including transport or those of the recipient country are to be purchased.

When the two Governments deem it necessary, the Grant Aid may be used for the purchase of the products or services of a third country.

However, the prime contractors, namely consulting, contracting and procurement firms, are limited to "Japanese nationals". (The term "Japanese nationals" means persons of Japanese nationality, or Japanese corporations controlled by persons of Japanese nationality.)

(5) Necessity of "Verification"

The Government of the recipient country or its designated authority will conclude contracts denominated in Japanese yen with Japanese nationals. Those contracts shall be verified by the Government of Japan. This "Verification" is deemed necessary to secure accountability of Japanese taxpayers.

(6) Undertakings required of the Government of the Recipient Country

- a) To secure a lot of land necessary for the construction of the Project and to clear the site;
- b) To provide facilities for distribution of electricity, water supply and drainage and other incidental facilities outside the sites;
- c) To ensure prompt unloading and customs clearance at ports of



disembarkation in the recipient country and internal transportation therein of the products purchased under the Grant Aid

- d) To exempt Japanese nationals from customs duties, internal taxes and fiscal levies which may be imposed in the recipient country with respect to the supply of the products and services under the verified contracts;
- e) To accord Japanese nationals whose services may be required in connection with the supply of the products and services under the verified contracts such as facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work;
- f) To ensure that the facilities constructed and products purchased under the Grant Aid be maintained and used properly and effectively for the Project; and
- g) To bear all the expenses, other than those covered by the Grant Aid, necessary for the Project.

(6) "Proper Use"

The recipient country is required to maintain and use the facilities constructed and equipment purchased under the Grant Aid properly and effectively and to assign the necessary staff for operation and maintenance of them as well as to bear all the expenses other than those covered by the Grant Aid.

(7) "Re-export"

The products purchased under the Grant Aid shall not be re-exported from the recipient country.

(8) Banking Arrangement (B/A)

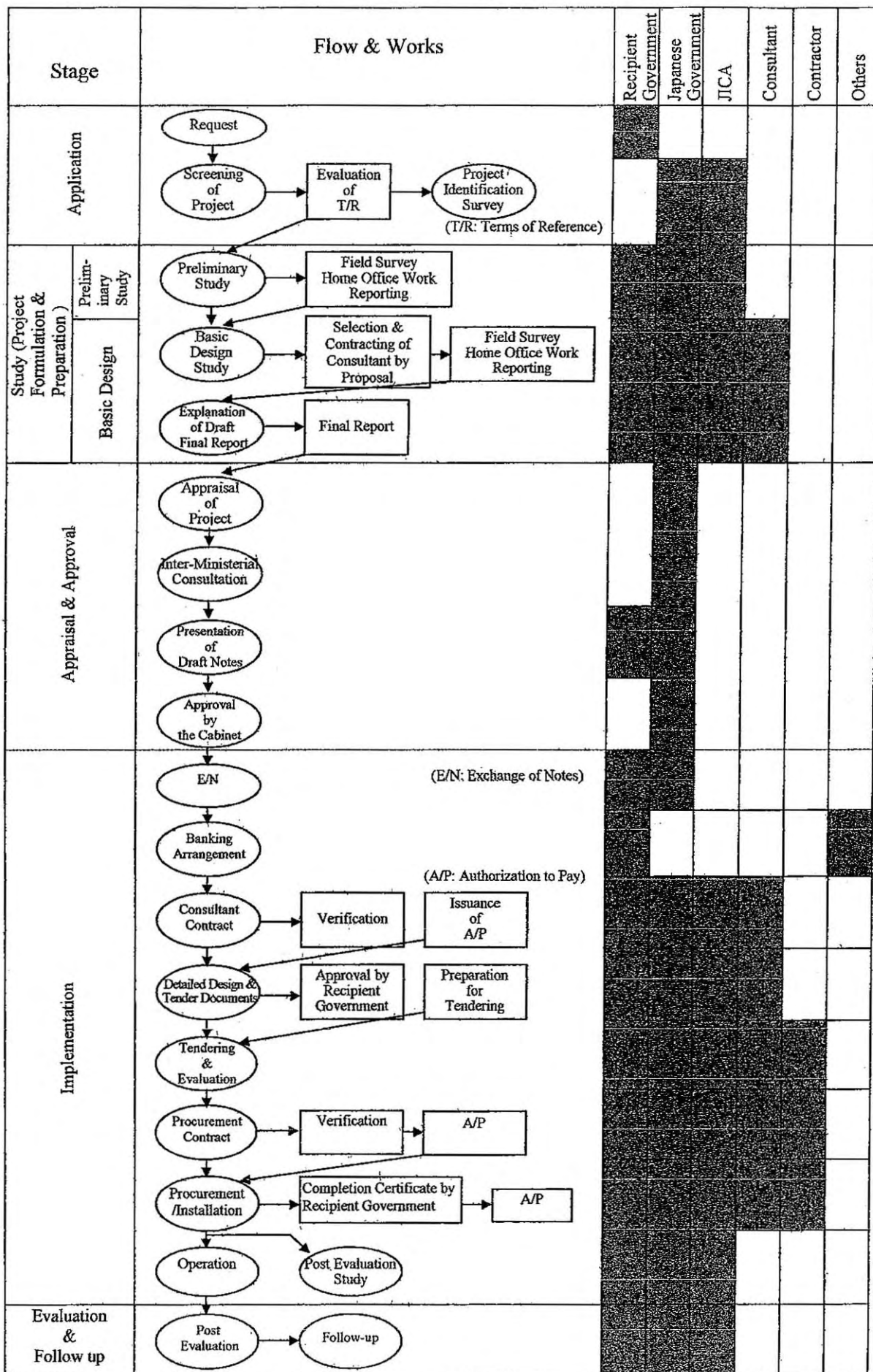
- a) The Government of the recipient country or its designated authority should open an account in the name of the Government of the recipient country in an authorized foreign exchange bank in Japan (hereinafter referred to as "the Bank"). The Government of Japan will execute the Grant Aid by making payments in Japanese yen to cover the obligations incurred by the Government of the recipient country or its designated authority under the verified contracts.
- b) The payments will be made when payment requests are presented by the Bank to the Government of Japan under an Authorization to Pay (A/P) issued by the Government of the recipient country or its designated authority.

(9) Authorization to Pay (A/P)

The Government of the recipient country should bear an advising commission of an Authorization to Pay and payment commissions to the Bank.



Flow Chart of Japan's Grant Aid Procedures



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Major Undertakings to be taken by Each Government

No.	Items	To be covered by	
		Grant Aid	Recipient Side
1	To secure land		●
2	To clear, level and reclaim the site when needed		●
3	To construct gates and fences in and around the site		●
4	To construct the parking lot when needed	●	
5	To construct roads within the site	●	
6	outside the site		●
	To construct the building	●	
7	To provide facilities for the distribution of electricity, water supply, drainage and other incidental facilities		
	1) Electricity		
	a) The distributing line to the site		●
	b) The drop wiring and internal wiring within the site	●	
	c) The circuit breaker and transformer	●	
	2) Water Supply		
	a) The city water distribution main to the site		●
	b) The supply system within the site (receiving and elevated tanks)	●	
	3) Drainage		
	a) The city drainage main (for storm sewer and others to the site)		●
	b) The drainage system (for toilet sewer, ordinary waste, storm drainage and others)	●	
	4) Gas Supply		
	a) The city gas main to the site		●
	b) The gas supply system within the site	●	
	5) Telephone System		
	a) The telephone trunk line to the main distribution frame/panel (MDF) of the building		●
	b) The MDF and the extension after the frame/panel	●	
	6) Furniture and Equipment		
	a) General furniture		●
	b) Project equipment	●	
8	To bear the following commissions to the Japanese foreign exchange banking services based upon the B/A		
	1) Advising commission of A/P		●
	2) Payment commission		●
9	To ensure unloading and customs clearance at port of disembarkation in recipient country		
	1) Marine (Air) transportation of the products from Japan to the recipient country	●	
	2) Tax exemption and customs clearance of the products at the port of disembarkation		●
	3) Internal transportation from the port of disembarkation to the project site	●	
10	To accord Japanese nationals whose services may be required in connection with the supply of the products and the services under the verified contract, such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work		●
11	To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which may be imposed in the recipient country with respect to the supply of the products and services under the verified contract		●
12	To maintain and use properly and effectively the equipment provided under the Grant		●
13	To bear all the expenses, other than those to be borne by the Grant, necessary for construction of the facilities as well as for installation of the equipment excluding the Pumping Station		●
14	To bear the expenses for trainees and operation costs of equipment during implementation of "Soft Component" when needed		●

(B/A: Banking Arrangement, A/P: Authorization to Pay)

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
স্থানীয় সরকার, পল্লী উন্নয়ন ও সমবায় মন্ত্রণালয়
স্থানীয় সরকার বিভাগ
পরিকল্পনা-৩ শাখা

স্মারক নং-এলজি/পকশা-১/ডি-ওয়াসা-৩৬/২০০২/১২৫

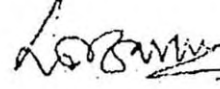
তারিখ: ২০-০২-২০০৬ইং ২।

**বিষয়:- Basic Design Study Team on the Project for the improvement of
Strom Water Drainage System in Dhaka City (Phase-II) সংক্রান্ত
Minutes of Meeting (MM) স্বাক্ষর প্রসঙ্গে।**

সূত্র : অর্থনৈতিক সম্পর্ক বিভাগের ১৫-০২-২০০৬ইং তারিখের ইআরডি/জাপ-২/৪/৯০(আংশ-২)/১৩১
নথর স্মারক।

উপরোক্ত বিষয় ও সূত্রের পরিপ্রেক্ষিতে ঢাকা ওয়াসা হতে প্রাপ্ত ১৯/০২/২০০৬ তারিখের প্লান-
৬৩৪/২০০২/৮৪ নং পত্র, আলোচ্য বিষয়ে Study Team এর সাথে আলোচনাক্রমে ঢাকা ওয়াসা
কর্তৃক প্রস্তুতকৃত Minutes of Meeting (MM) এর কপি এবং ট্রাডি টীম কর্তৃক প্রণীত
Inception Report এর ওপর ঢাকা ওয়াসার মতামতের কপি পরবর্তী কার্যব্যবস্থা গ্রহণ করে
নির্দেশক্রমে প্রতীক্ষিত প্রেরণ করা হলো। উল্লেখ্য যে, ঢাকা ওয়াসার মতামতের সাথে অত্র বিভাগ
একমত পোষণ করে।

সংযুক্তি: বর্ণনামতে।


20/2/06

(মোহাম্মদ তাসারক হোসেন ফরাজী)

সিনিয়র সহকারী প্রধান

ফোন: ৭১৭৩৩১৮

সচিব

অর্থনৈতিক সম্পর্ক বিভাগ

শেখের বাংলা নগর, ঢাকা।

(দৃঃআঃ ভঃ কৃষা গায়েন, সিনিয়র সহকারী প্রধান)

অনুলিপি:

- ১। ব্যবস্থাপনা পরিচালক, ঢাকা ওয়াসা, ওয়াসা ভবন, কাওরান বাজার, ঢাকা।
- ২। সচিব মহোদয়ের একান্ত সচিব, স্থানীয় সরকার বিভাগ।



ঢাকা পানি সরবরাহ ও পয়ঃ নিষ্কাশন কর্তৃপক্ষ

“ওয়াসা ভবন”

৯৮, কাজী নজরুল ইসলাম এভিনিউ, ঢাকা।

স্মারক নং : পান-৬৩৪/২০০২/১৮-৪

তারিখ: ১৯.০২.০১

সচিব

স্থানীয় সরকার বিভাগ

স্থানীয় সরকার, পল্লী উন্নয়ন ও সমবায় মন্ত্রণালয়

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

বাংলাদেশ সচিবালয়, ঢাকা

দৃষ্টি আকর্ষণ: জনাব মোঃ শরফুল আলম, মহা-পরিচালক (অতিরিক্ত সচিব), স্থানীয় সরকার বিভাগ।

বিষয় : Basic Design Study Team on the Project for the Improvement of Storm Water Drainage System In Dhaka City (Phase-II).

সূত্র : নং-ইআরডি/জাপ-২/৪/৯০(অংশ-২)/১৩১ তারিখঃ ১৫.০২.২০০৬।

সূত্রে বর্ণিত স্মারকের প্রেক্ষিতে সদয় অবগতির জন্য জানানো যাচ্ছে যে, বিখ্যোক্ত প্রকল্পের বিষয়ে ৭ সদস্য বিশিষ্ট একটি Basic Design Study Team ফেব্রুয়ারী ১১, ২০০৬ হতে মার্চ ১৩, ২০০৬ পর্যন্ত সময়ে সংশ্লিষ্ট মন্ত্রণালয়/বিভাগের সাথে আলোচনা ও প্রকল্প এফাকা পরিদর্শন/জরীপের জন্য বাংলাদেশ সফর করছে। উক্ত টিমের সাথে আগামী ২০ ফেব্রুয়ারী, ২০০৬ তারিখ অপরাহ্ন ৩-৩০ মিনিটে অর্থনৈতিক সম্পর্ক বিভাগে একটি আলোচনা সভা অনুষ্ঠিত হবে। আলোচনা শেষে দু'পক্ষের ঐক্যমত্যের ভিত্তিতে একটি Minutes of Meeting (MM) স্বাক্ষরিত হবে। ষ্টাডি টিম কর্তৃক প্রণীত Inception Report এর উপর ঢাকা ওয়াসা ও ষ্টাডি টিমের সাথে বিস্তারিত আলোচনা হয়েছে। Inception Report এর উপর ঢাকা ওয়াসার মতামত এতদসঙ্গে সংযুক্ত করা হলো।

উল্লেখ্য যে, ষ্টাডি টিমের সাথে আলোচনা করে একটি Minutes of Meeting (MM) প্রস্তুত করা হয়েছে। প্রস্তুতকৃত Minutes of Meeting (MM) টি অর্থনৈতিক সম্পর্ক বিভাগ ও জাইকার মধ্যে স্বাক্ষরের জন্য এতদসঙ্গে সর্বিনয়ে প্রেরণ করা হলো।

সংযুক্ত : বর্ণনামতে।

(ডঃ কাজী আলী আজম)
ব্যবস্থাপনা পরিচালক
ঢাকা ওয়াসা।

অনুলিপি ৪

- ✓ ডঃ কৃষ্ণা গায়ন,
- সিনিয়র সহকারী প্রধান
- ব্লক নং- ১৫, কক্ষ নং-৪
- অর্থনৈতিক সম্পর্ক বিভাগ,
- জাপান - ২ শাখা
- শের-ই-বাংলা নগর, ঢাকা।

2/ - Minutes of Meeting (MM)

Comments of Dhaka WASA on the Inception Report submitted by the Basic Design Study Team .

The Inception Report has been reviewed by Dhaka WASA. The observations of Dhaka WASA on the Inception report are as follows :

1. Para 3.5 (1) of Chapter 3 :

The documents available with DWASA have been provided to the Team.

2. Para 3.5 (4) may be written as follows :

To secure permission as far as possible under the prevailing Laws of the Land for the Team to photograph and enter into private properties and restricted area for proper execution of the Study, if necessary.

3. Chapter 5 : Table -3 : Contents of the Request

The priority of the Contents of the request in respect of Procurement of O&M Equipment may be considered to categorize as ' A '. However, during discussion the Basic Design Study Team has agreed that they will reconsider the appropriateness of the Priority.

১৯/০৫/১৯
শামসুল আলম
সহকারী প্রধান
পরিকল্পনা ও মনিটরিং বিভাগ
ঢাকা ওয়াশা।

Comments on Inception Report

